



## **DEPARTMENT OF TRANSPORTATION**

### **National Highway Traffic Safety Administration**

#### **Petitions for Exemption from the**

#### **Federal Motor Vehicle Theft Prevention Standard**

**AGENCY:** National Highway Traffic Safety Administration (NHTSA), Department of Transportation (DOT).

**ACTION:** Grant of petitions for exemption.

**SUMMARY:** This document grants in full four manufacturers' petitions for exemption for four model lines from the Federal Motor Vehicle Theft Prevention Standard (Theft Prevention Standard) beginning in model year (MY) 2021. The manufacturers, vehicle lines, and model years are as follows: Ford Motor Company (Ford) for its Bronco Sport vehicle line beginning in MY 2021; Jaguar Land Rover North America LLC (Jaguar Land Rover) for its Jaguar I-Pace vehicle line beginning in MY 2021; American Honda Motor Co., Inc. (Honda) for its HR-V vehicle line beginning in MY 2021; and Volkswagen Group of America, Inc. (Volkswagen) for its ID.4 vehicle line beginning in MY 2021.

**DATES:** The exemptions granted by this notice are effective beginning with the 2021 model year.

**FOR FURTHER INFORMATION CONTACT:** Carlita Ballard, Office of International Policy, Fuel Economy, and Consumer Programs, NHTSA, West Building, W43-439, NRM-310, 1200 New Jersey Avenue, S.E., Washington, D.C. 20590. Ms. Ballard's phone number is (202) 366-5222. Her fax number is (202) 493-2990.

#### **SUPPLEMENTARY INFORMATION**

Under 49 U.S.C. Chapter 331, the Secretary of Transportation (and the National Highway Traffic Safety Administration (NHTSA) by delegation) is required to promulgate a theft prevention standard to provide for the identification of certain motor vehicles and their major replacement parts to impede motor vehicle theft. NHTSA promulgated regulations at Part 541 (Theft Prevention Standard) to require parts-marking for specified passenger motor vehicles and light trucks. Pursuant to 49 U.S.C. 33106, manufacturers that are subject to the parts-marking requirements may petition the Secretary of Transportation for an exemption for a line of passenger motor vehicles equipped as standard equipment with an anti-theft device that the Secretary decides is likely to be as effective in reducing and deterring motor vehicle theft as compliance with the parts-marking requirements. In accordance with this statute, NHTSA promulgated 49 CFR Part 543, which establishes the process through which manufacturers may seek an exemption from the Theft Prevention Standard.

49 CFR 543.5 provides general submission requirements for petitions and states that each manufacturer may petition NHTSA for an exemption of one vehicle line per model year. Among other requirements, manufacturers must identify whether the exemption is sought under section 543.6 or section 543.7. Under section 543.6, a manufacturer may request an exemption by providing specific information about the anti-theft device, its capabilities, and the reasons the petitioner believes the device to be as effective at reducing and deterring theft as compliance with the parts-marking requirements. Section 543.7 permits a manufacturer to request an exemption under a more streamlined process if the vehicle line is equipped with an anti-theft device (an “immobilizer”) as standard equipment that complies with one of the standards specified in that section.

Section 543.8 establishes requirements for processing petitions for exemption from the

Theft Prevention Standard. As stated in section 543.8(a), NHTSA processes any complete exemption petition. If NHTSA receives an incomplete petition, NHTSA will notify the petitioner of the deficiencies. Once NHTSA receives a complete petition it will process it and, in accordance with section 543.8(b), will grant the petition if it determines that, based upon substantial evidence, the standard equipment antitheft device is likely to be as effective in reducing and deterring motor vehicle theft as compliance with the parts-marking requirements of Part 541.

Section 543.8(c) requires NHTSA to issue its decision either to grant or to deny an exemption petition not later than 120 days after the date on which a complete petition is filed. If NHTSA does not make a decision within the 120-day period, the petition shall be deemed to be approved and the manufacturer shall be exempt from the standard for the line covered by the petition for the subsequent model year.<sup>1</sup> Exemptions granted under Part 543 apply only to the vehicle line or lines that are subject to the grant and are equipped with the antitheft device on which the line's exemption was based and is effective for the model year beginning after the model year in which NHTSA issues the notice of exemption, unless the notice of exemption specifies a later year.

Sections 543.8(f) and (g) apply to how NHTSA's decisions on petitions are to be made known. Under section 543.8(f), if the petition is sought under section 543.6, NHTSA publishes a notice of its decision to grant or deny the exemption petition in the Federal Register and notifies the petitioner in writing. Under section 543.8(g), if the petition is sought under section 543.7, NHTSA notifies the petitioner in writing of the agency's decision to grant or deny the exemption

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<sup>1</sup> 49 U.S.C. 33106(d).

petition.

This grant of petitions for exemption considers the following manufacturers' petitions for the following model years: Ford Motor Company (Ford) for its Bronco Sport vehicle line beginning in MY 2021; Jaguar Land Rover North America LLC (Jaguar Land Rover) for its Jaguar I-Pace vehicle line beginning in MY 2021; American Honda Motor Co., Inc. (Honda) for its HR-V vehicle line beginning in MY 2021; and Volkswagen Group of America, Inc. (Volkswagen) for its ID.4 vehicle line beginning in MY 2021.

As explained below, the petitions for all four manufacturers' vehicle lines are granted under 49 U.S.C. 33106, which states that if the Secretary of Transportation (NHTSA, by delegation) does not make a decision about a petition within 120 days of the petition submission, the petition shall be deemed to be approved and the manufacturer shall be exempt from the standard for the line covered by the petition for the subsequent model year. Separately, based on the information provided in each manufacturer's petition, NHTSA has determined that the antitheft device to be placed on each line as standard equipment is likely to be as effective in reducing and deterring motor vehicle theft as compliance with the parts-marking requirements of the Theft Prevention Standard.

#### **I. Petition Approval under 49 U.S.C. 33106(d)**

As outlined above, if NHTSA does not make a decision on a complete exemption petition within the 120-day period after the date that the petition was filed,<sup>2</sup> the petition shall be deemed to be approved and the manufacturer shall be exempt from the standard for the line covered by

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<sup>2</sup> See 51 FR 706; 52 FR 33821. Since the interim final rule implementing the Theft Prevention Standard, NHTSA has interpreted the filing date as meaning the date on which NHTSA receives a manufacturer's *complete* petition.

the petition for the subsequent model year.<sup>3</sup>

Each manufacturer covered in this notice submitted a petition for exemption to NHTSA more than 120 days prior to this decision. Although each petition is accordingly approved pursuant to 49 U.S.C. 33106(d), for continuity for manufacturers, because MY 2021 production is likely to begin 8 months prior to the start of this notice,<sup>4</sup> NHTSA evaluated the specific information provided by each manufacturer in accordance with the requirements in 49 CFR 543.6, Petition: Specific content requirements. Based on this information, NHTSA separately determined that the antitheft device to be placed on each line as standard equipment is likely to be as effective in reducing and deterring motor vehicle theft as compliance with the parts-marking requirements of the Theft Prevention Standard.

## **II. Specific Petition Content Requirements under 49 CFR 543.6**

Pursuant to 49 CFR Part 543, Exemption from Vehicle Theft Prevention, the four manufacturers described below petitioned for their specified vehicle lines an exemption from the parts-marking requirements of the Theft Prevention Standard, beginning in MY 2021. Ford, Jaguar Land Rover, Honda, and Volkswagen petitioned under 49 CFR 543.6, Petition: Specific content requirements, which, as described above, requires manufacturers to provide specific information about the anti-theft device installed as standard equipment on all vehicles in the line for which an exemption is sought, the anti-theft device's capabilities, and the reasons the petitioner believes the device to be as effective at reducing and deterring theft as compliance with the parts-marking requirements.

More specifically, section 543.6(a)(1) requires petitions to include a statement that an

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<sup>3</sup> 49 U.S.C. 33106(d).

<sup>4</sup> 49 U.S.C. 33106(c).

antitheft device will be installed as standard equipment on all vehicles in the line for which the exemption is sought. Under section 543.6(a)(2), each petition must list each component in the antitheft system, and a diagram showing the location of each of those components within the vehicle. As required by section 543.6(a)(3), each petition must include an explanation of the means and process by which the device is activated and functions, including any aspect of the device designed to: (1) facilitate or encourage its activation by motorists; (2) attract attention to the efforts of an unauthorized person to enter or move a vehicle by means other than a key; (3) prevent defeating or circumventing the device by an unauthorized person attempting to enter a vehicle by means other than a key; (4) prevent the operation of a vehicle which an unauthorized person has entered using means other than a key; and (5) ensure the reliability and durability of the device.<sup>5</sup>

In addition to providing information about the antitheft device and its functionality, petitioners must also submit the reasons for the petitioner's belief that the antitheft device will be effective in reducing and deterring motor vehicle theft, including any theft data and other data that are available to the petitioner and form a basis for that belief,<sup>6</sup> and the reasons for the petitioner's belief that the agency should determine that the antitheft device is likely to be as effective as compliance with the parts-marking requirements of Part 541 in reducing and deterring motor vehicle theft, including any statistical data that are available to the petitioner and form the basis for the petitioner's belief that a line of passenger motor vehicles equipped with the antitheft device is likely to have a theft rate equal to or less than that of passenger motor vehicles

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<sup>5</sup> 49 CFR 543.6(a)(3).

<sup>6</sup> 49 CFR 543.6(a)(4).

of the same, or a similar, line which have parts marked in compliance with Part 541.<sup>7</sup>

The following sections describe each manufacturer's petition information provided pursuant to 49 CFR Part 543, Exemption from Vehicle Theft Prevention. To the extent that specific information in a manufacturer's petition is subject to a properly filed confidentiality request, that information was not disclosed as part of this notice. *See* 49 CFR 512.20(a).

a. Ford

In a petition dated December 12, 2019, Ford requested an exemption from the parts-marking requirements of the Theft Prevention Standard for its Bronco Sport vehicle line beginning with MY 2021. Pursuant to section 543.6(a)(1), Ford stated that the antitheft device described in its petition - Intelligent Access with Push Button Start (IAwPB) - will be standard equipment on its Bronco Sport vehicle line produced for the U.S. beginning with MY 2021 and beyond. Ford also stated that on its signature trim level models it will offer phone as key (Paak) feature via the LincolnWay app that can be used when paired with a smart phone instead of using a key fob to lock/unlock or remotely start/shutdown the vehicle.

In accordance with section 543.6(a)(2), Ford provided a detailed description and diagram of the identity, design, and location of the components of the antitheft device for its Bronco Sport vehicle line. Under section 543.6(a)(3), Ford described the IAwPB system as a passive, electronic engine immobilizer device that uses encrypted transponder technology. Key components of the IAwPB device will include an Intelligent Access electronic Push-Button Start key fob, keyless ignition system, radio transceiver module, body control module (BCM), powertrain control module (PCM), anti-lock braking system module (ABS) and an embedded

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<sup>7</sup> 49 CFR 543.6(a)(5).

secure modem (for Paak feature). Ford further stated that its Bronco Sport vehicle line will also be offered with a perimeter alarm system as standard equipment which will activate a visible and audible alarm whenever unauthorized access is attempted. Some additional features of the antitheft device include: encrypted communication between the transponder, BCM control function and the PCM; “virtually impossible” key duplication; and shared security data between the body control module/remote function actuator and the powertrain control module.

Ford also provided information on the reliability and durability of its proposed device. To ensure reliability and durability of its device, Ford stated that it conducted tests on the antitheft device which complied with its own specific standards. Additionally, Ford stated that its antitheft device has no moving parts (i.e., BCM, PCM, and electrical components) to perform system functions, which eliminate the possibility of physical damage or deterioration from normal use; and mechanically overriding the device to start the vehicle is also impossible. In further addressing the reliability and durability of its device, Ford stated that its Bronco Sport vehicle line will also be equipped with several other standard antitheft features common to Ford vehicles, (i.e., hood release located inside the vehicle, counterfeit resistant VIN labels, secondary VINs, and cabin accessibility only with the use of a valid key fob).

Ford also stated that its system is automatically activated when the “StartStop” button is pressed, shutting off the engine. Ford stated that the device is deactivated when a start sequence is completed and engine start is successful. Ford further stated that the vehicle engine can only be started when the key is present in the vehicle and the “StartStop” button inside the vehicle is pressed. Ford stated that when the “StartStop” button is pressed, the transceiver module will read a key code and transmit an encrypted message to the control module to determine key validity and engine start by sending a separate encrypted message to the BCM and the PCM.



The powertrain will function only if the key code matches the unique identification key code previously programmed into the BCM. Ford stated that the two modules must be matched together in order for the vehicle to start. If the codes do not match, the powertrain engine starter, spark, and fuel will be disabled. Ford further stated that any attempt to operate the vehicle without transmission of the correct code to the electronic control (i.e., short circuiting the “StartStop” button) module will be ineffective.

Ford stated that its anti-theft system was introduced on all MY 1996 Ford Mustang GT and Cobra models as well as other selected models. Ford also stated that on its 1997 models, the installation of its antitheft device was extended to the entire Ford Mustang vehicle line as standard equipment and that according to the National Insurance Crime Bureau (NICB) theft statistics, MY 1997 Mustangs installed with the antitheft device showed a 70% reduction in theft rate compared to its MY 1995 Mustangs without an antitheft device.

Ford further stated that the proposed antitheft device is very similar to the system that was offered on its MY 2020 Lincoln Corsair vehicle line. The Lincoln Corsair vehicle line was granted a parts-marking exemption by NHTSA (84 FR 10890, March 22, 2019) beginning with its MY 2020 vehicles.

b. Jaguar Land Rover

In a petition dated November 26, 2019, Jaguar Land Rover requested an exemption from the parts-marking requirements of the Theft Prevention Standard for its Jaguar I-Pace vehicle line beginning with MY 2021. Pursuant to section 543.6(a)(1), Jaguar Land Rover stated that the antitheft device described in its petition - a passive, transponder-based, electronic engine immobilizer device - will be standard equipment on the Jaguar I-Pace model for MY 2021.

In accordance with section 543.6(a)(2), Jaguar Land Rover provided a detailed

description and diagram of the identity, design, and location of the components of the antitheft device for the Jaguar I-Pace vehicle line. Under section 543.6(a)(3), Jaguar Land Rover described that key components of its antitheft device will include a Smart Key, powertrain control module (PCM), instrument cluster, body control module (BCM), remote frequency receiver (RFR), Immobilizer Antenna Unit (IAU), Remote Frequency Actuator (RFA), Security Horn and Vehicle Horn, Door Zone Modules (Passenger and Driver) (DMZs) and a Security Warning LED. Jaguar Land Rover stated that its antitheft device will also include a vehicle security system that includes an audible and visual perimeter alarm system as standard equipment on the entire vehicle line. The horn will sound and the vehicle's exterior lights will flash if unauthorized entry is attempted by opening the hood, doors, or luggage compartment. Jaguar Land Rover further stated that its perimeter alarm system can be armed with its Smart Key or programmed to be passively armed.

Jaguar Land Rover provided information on the reliability and durability of its proposed device as required by section 543.6(a)(3)(v). To ensure reliability and durability of the device, Jaguar Land Rover conducted tests based on its own specified standards. Jaguar Land Rover provided a detailed list of the tests conducted (i.e., temperature and humidity cycling, high and low temperature cycling, mechanical shock, random vibration, thermal stress/shock tests, material resistance tests, dry heat, dust and fluid ingress tests). Jaguar Land Rover stated that it believes that its device is reliable and durable because it complied with specified requirements for each test. Additionally, Jaguar Land Rover stated that its key recognition sequence includes over a billion code combinations with encrypted data that are secure against duplication. Jaguar Land Rover further stated that the coded data transfer between modules use a unique secure identifier and public algorithm. Jaguar Land Rover also stated that since its Jaguar I-Pace

vehicle line will utilize a push button vehicle ignition, it does not have a conventional mechanical key barrel, and therefore, a thief will have no means of forcibly bypassing the key-locking system.

Jaguar Land Rover stated that its immobilizer device is automatically activated when the Smart Key is removed from the vehicle. Jaguar Land Rover also stated that its Smart Key is programmed and synchronized to each vehicle through an identification key code and a secret, randomly-generated code unique to each vehicle.

Jaguar Land Rover stated that there are three methods of antitheft device deactivation and engine starting. Method one consists of automatic detection of the Smart Key via a remote frequency challenge response sequence. Specifically, when the driver approaches the vehicle and pulls the driver's door handle following authentication of the correct Smart Key, the doors will unlock. When the ignition start button is pressed, the device searches to find and authenticate the Smart Key within the vehicle interior. If successful, this information is passed to the BCM via the Remote Function Actuator by coded data transfer. The BCM will pass the "valid key" status to the instrument cluster, via a coded data transfer and then send the "key valid" message code to the PCM initiating a coded data transfer and engine authorization to start. Method two consists of unlocking the vehicle with the Smart Key unlock button. As the driver approaches the vehicle, the Smart Key unlock button is pressed and the doors will unlock. Once the driver presses the ignition start button, the operation process is the same as method one. Method three involves using the emergency key blade. If the Smart Key has a discharged battery or is damaged, there is an emergency key blade that can be removed from the Smart Key and used to unlock the doors. When the ignition start button is pressed, the device searches to find and authenticate the Smart Key within the vehicle interior. If successful, the Smart Key needs to

be docked. Once the Smart Key is docked/placed in the correct position, and the ignition start button is pressed again, the BCM and Smart key enter a coded data exchange via the Immobilizer Antenna Unit. The BCM then passes the valid key status to the instrument cluster, via the Immobilizer Antenna Unit and sends the key valid message to the PCM, which initiates a coded data transfer. If successful, engine starting is authorized.

Jaguar Land Rover stated that its immobilizer system on the Jaguar I-Pace is substantially similar to the antitheft devices using similar technology installed on the Jaguar F-Pace, Jaguar XJ, Jaguar F-Type, Jaguar XF, Jaguar XE, Land Rover Discovery Sport and the Land Rover Range Rover Evoque.

c. Honda

In a petition dated December 13, 2019, Honda requested an exemption from the parts-marking requirements of the Theft Prevention Standard for its HR-V vehicle line beginning with MY 2021. Pursuant to section 543.6(a)(1), Honda stated that the antitheft device described in its petition – a transponder-based ignition immobilizer system - will be installed as standard equipment on HR-V vehicles starting with MY 2021.

In accordance with section 543.6(a)(2), Honda provided a detailed description and diagram of the identity, design, and location of the components of the antitheft device for the HR-V vehicle line. Honda stated that its vehicle line will offer a front-wheel drive and an all-wheel drive variation. Honda further stated that its MY 2021 HR-V vehicle line will be installed with a transponder-based, engine immobilizer antitheft device as standard equipment. More specifically, Honda stated that the HR-V vehicle line will offer two types of ignition systems, a “smart entry push button start” ignition system (“smart entry”) and a keyed ignition system with a key fob. Key components of the antitheft device will include a passive immobilizer, “smart

entry” remote, powertrain control module (PCM) and an Immobilizer Entry System (IMOES).

Honda further stated that its vehicle line will be installed with a vehicle security alarm system as standard equipment which will activate a visible and audible alarm whenever unauthorized access is attempted.

Honda provided information on the reliability and durability of its proposed device as required by section 543.6(a)(3)(v). To ensure reliability and durability of the device, Honda conducted tests based on its own specified standards. Honda provided a detailed list of the tests it used to validate the integrity, durability and reliability of its device and stated that the company believes that it follows a rigorous development process to ensure that its antitheft device will be reliable and robust for the life of the vehicle. Honda stated that its device does not require the presence of a “smart entry” remote battery to function nor does it have any moving parts (i.e., the PCM, IMOES, ignition key, “smart entry” remote and the corresponding electrical components found within its own housing units), which it believes reduces the chance for deterioration and wear from normal use. Honda also stated that additional levels of reliability, durability and security will be accomplished because it will incorporate counterfeit resistant vehicle identification number (VIN) plates, secondary VINs, a hood release located inside the vehicle, and its smart entry remote will utilize rolling codes for the lock and unlock functions of its vehicles.

Honda further stated that its immobilizer device is always active without requiring any action from the vehicle operator as long as the matching smart entry remote is outside of the operating range and the engine is turned off. Deactivation occurs when a valid “smart entry” remote with matching codes is placed within operating range and the engine start/stop button is pushed to start the vehicle. Honda further states that if a “smart entry” remote without a

matching code is placed inside the operating range and the engine start/stop button is pushed, the PCM will prevent fueling and starting of the engine. Additionally, an ignition immobilizer telltale indicator will begin flashing on the meter panel providing the status of the immobilizer device.

Honda stated that the audible and visible vehicle security alarm system installed on its HR-V vehicles will monitor any attempts of unauthorized entry and attract attention to an unauthorized person attempting to enter its vehicles without the use of a “smart entry” remote or its built-in mechanical door key. Specifically, Honda stated that whenever an attempt is made to open one of its vehicle doors, hood or trunk without using the “smart entry” remote or turning a key in the key cylinder to disarm the vehicle, the vehicle’s horn will sound and its lights will flash. Honda stated that its vehicle security system is activated when all of the doors are locked and the hood and trunk are closed and locked. Honda further stated that its vehicle security system is deactivated by using the key fob buttons to unlock the vehicle doors or having the “smart entry” remote within operating range when the operator grabs either of the vehicle’s front door handles.

Honda believes that installation of the antitheft immobilizer device as standard equipment reduces the vehicle theft rate by making conventional methods of theft obsolete, i.e., punching out the steering column or hot-wiring the ignition. Additionally, Honda stated that the immobilizer device proposed for the 2021 HR-V is similar to the design offered on its Honda Civic, Honda Accord, Honda CR-V, Honda Pilot and Acura MDX, Honda Passport, and the Acura TLX vehicles which have been granted an exemption by the agency.

d. Volkswagen

In a petition dated December 20, 2019, Volkswagen requested an exemption from the

parts-marking requirements of the Theft Prevention Standard for its ID.4 beginning with MY 2021. Pursuant to section 543.6(a)(1), Volkswagen stated that the antitheft device described in its petition will be installed as standard equipment on the ID.4 vehicles starting with MY 2021.

In accordance with section 543.6(a)(2), Volkswagen provided a detailed description and diagram of the identity, design, and location of the components of the antitheft device for its ID.4 vehicle line.<sup>8</sup> Volkswagen stated that its MY 2021 ID.4 line will be installed with its fifth generation transponder-based electronic engine immobilizer antitheft device as standard equipment on the entire vehicle line. Key components of the antitheft device will include an immobilizer, power control unit (LSG1) in case of 4Motion all-wheel-drive system (LSG1 and LSG2), adapted ignition key (key fob) and an in-car application server 1 (ICAS1) with integrated gateway.

Volkswagen provided information on the reliability and durability of its proposed device as required by section 543.6(a)(3)(v). To ensure reliability and durability of the device, Volkswagen stated that the antitheft device has been tested for compliance with its corporate requirements, including those for electrical and electronic assemblies in motor vehicles related to performance requirements including electrical system temperature stability, mechanical integrity, electrical performance, electromagnetic compatibility (EMC), environmental compatibility and service life.

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<sup>8</sup> Volkswagen also stated that it will offer an audible and visible alarm as optional equipment on its ID.4 line. Per 49 U.S.C. 33106 (b), manufacturers may petition NHTSA for an exemption “for a line of passenger motor vehicles equipped *as standard equipment* with an anti-theft device that [NHTSA] decides is likely to be as effective in reducing and deterring motor vehicle theft as compliance with” the Theft Prevention Standard (emphasis added). Per 49 U.S.C. 33106(a)(2), “standard equipment” means equipment already installed in a motor vehicle when it is delivered from the manufacturer and not an accessory or other item that the first purchaser customarily has the option to have installed. Therefore, for purposes of Volkswagen’s petition, NHTSA is only considering the device equipped on the vehicle as standard equipment.

Volkswagen stated that its immobilizer device is aimed to actively incorporate the power control unit into the evaluation and monitoring process. Volkswagen also stated that activation of its immobilizer device occurs automatically after the engine is switched off. Deactivation of the immobilizer device occurs when the ignition is turned on or the key fob is recognized by the immobilizer control unit. Specifically, when turning on the ignition on/off switch, the key transponder sends a fixed code to the immobilizer control unit. If this is identified as the correct code, a variable code is generated in the immobilizer control unit and sent to the transponder. Volkswagen stated that a secret arithmetic process is then started according to a set of specific equations and that a new variable code is generated every time the immobilizer goes through the secret computing process. The results of the computing process are evaluated in the control unit and if verified, the vehicle key is acknowledged as correct. The engine control unit then sends a variable code to the immobilizer control unit for mutual identification. If all the data matches, the vehicle can be started.

In support of its belief that its antitheft device will be as or more effective in reducing and deterring vehicle theft than the parts-marking requirement, Volkswagen referenced the effectiveness of immobilizer devices installed on other vehicles for which NHTSA has granted exemptions. Specifically, Volkswagen referenced information from the Highway Loss Data Institute which showed that BMW vehicles experienced theft loss reductions resulting in a 73% decrease in relative claim frequency and a 78% lower average loss payment per claim for vehicles equipped with an immobilizer. Volkswagen also stated that the National Crime Information Center's (NCIC) theft data showed that there was a 70% reduction in theft experienced when comparing the MY 1987 Ford Mustang vehicle thefts (with immobilizers) to MY 1995 Ford Mustang vehicle thefts (without immobilizers).



### III. Decision to Grant the Petitions

As discussed above, the petitions for all four manufacturers' vehicle lines are considered approved under 49 U.S.C. 33106. Separately, NHTSA believes, based on the supporting evidence submitted by each manufacturer, that the antitheft device described for each vehicle line is likely to be as effective in reducing and deterring motor vehicle theft as compliance with the parts-marking requirements of the Theft Prevention Standard.

Pursuant to 49 U.S.C. 33106 and 49 CFR 543.8(b), the agency grants a petition for exemption from the parts-marking requirements of Part 541, either in whole or in part, if it determines that, based upon substantial evidence, the standard equipment antitheft device is likely to be as effective in reducing and deterring motor vehicle theft as compliance with the parts-marking requirements of Part 541. The agency finds that each manufacturer has provided adequate reasons for its belief that the antitheft device for each vehicle line is likely to be as effective in reducing and deterring motor vehicle theft as compliance with the parts-marking requirements of the Theft Prevention Standard. This conclusion is based on the information each manufacturer provided about its antitheft device.

As discussed in the notice, Petitions for Exemption From the Federal Motor Vehicle Theft Prevention Standard in the Federal Register of Monday, May 11, 2020,<sup>9</sup> NHTSA would like to reiterate that for manufacturers providing data to support their belief that a line of passenger motor vehicles equipped with the antitheft device is likely to have a theft rate equal to or less than that of the same, or similar, line which have parts marked in compliance with part 541, the agency is looking for the manufacturer to provide data comparing the subject vehicle

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<sup>9</sup> 85 FR 27798 (May 11, 2020).

line to that of a same, or similar line, pursuant to section 543.6(a)(5).<sup>10</sup>

The agency concludes that for Ford, Jaguar Land Rover, Honda and Volkswagen, each described device will provide the five types of performance features listed in section 543.6(a)(3): promoting activation; attracting attention to the efforts of unauthorized persons to enter or operate a vehicle by means other than a key; preventing defeat or circumvention of the device by unauthorized persons; preventing operation of the vehicle by unauthorized entrants; and ensuring the reliability and durability of the device.

The agency notes that 49 CFR Part 541, Appendix A-1, identifies those lines that are exempted from the Theft Prevention Standard for a given model year. 49 CFR 543.8(f) contains publication requirements incident to the disposition of all Part 543 petitions. Advanced listing, including the release of future product nameplates, the beginning model year for which the petition is granted and a general description of the antitheft device is necessary in order to notify law enforcement agencies of new vehicle lines exempted from the parts-marking requirements of the Theft Prevention Standard.

If any manufacturer listed in this notice decides not to use the exemption for its requested vehicle line, the manufacturer must formally notify the agency. If such a decision is made, the line must be fully marked as required by 49 CFR 541.5 and 541.6 (marking of major component parts and replacement parts).

NHTSA notes that if any manufacturer listed in this notice wishes in the future to modify the device on which this exemption is based, the company may have to submit a petition to

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<sup>10</sup> This is because, to make a valid comparison, NHTSA must carefully choose two sets of vehicles that are as nearly similar as possible so that the agency can be reasonably certain that any differences or similarities in the theft rates of the two sets of vehicles can be attributed to the presence of an anti-theft device or parts marking and not to extraneous, confounding variables.

modify the exemption. Section 543.8(d) states that a Part 543 exemption applies only to vehicles that belong to a line exempted under this part and equipped with the antitheft device on which the line's exemption is based. Further, section 543.10(c)(2) provides for the submission of petitions "to modify an exemption to permit the use of an antitheft device similar to but differing from the one specified in the exemption."

The agency wishes to minimize the administrative burden that section 543.10(c)(2) could place on exempted vehicle manufacturers and itself. The agency did not intend in drafting Part 543 to require the submission of a modification petition for every change to the components or design of an antitheft device. The significance of many such changes could be de minimis. Therefore, NHTSA suggests that if any manufacturer listed in this notice contemplates making any changes, the effects of which might be characterized as de minimis, it should consult the agency before preparing and submitting a petition to modify.

For the foregoing reasons, the agency hereby grants in full the following petitions for exemption for the following manufacturers' vehicle lines for the following model years: Ford Motor Company (Ford) for its Bronco Sport vehicle line beginning in MY 2021; Jaguar Land Rover North America LLC (Jaguar Land Rover) for its Jaguar I-Pace vehicle line beginning in MY 2021; American Honda Motor Co., Inc. (Honda) for its HR-V beginning in MY 2021; and Volkswagen Group of America, Inc. (Volkswagen) for its ID.4 beginning in MY 2021.

Issued in Washington, D.C., under authority delegated in 49 CFR 1.95 and 501.8.

**Raymond R. Posten,**

*Associate Administrator for Rulemaking.*

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